



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
WESTERN DISTRICT OF MISSOURI

TODD P. GRAVES

Contact Don Ledford, Public Affairs • (816) 426-4220 • 400 East Ninth Street, Room 5510 • Kansas City, MO 64106

www.usdoj.gov/usao/mow

FEBRUARY 17, 2005
FOR IMMEDIATE RELEASE

RAYTOWN REAL ESTATE APPRAISER PLEADS GUILTY TO \$4.3 MILLION MORTGAGE FRAUD CONSPIRACY

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that woman who operated a real estate appraisal business in Raytown, Mo., pleaded guilty in federal court today to participating in a \$4.3 million mortgage fraud conspiracy.

Peggy Jo Snodgrass, 39, waived her right to a grand jury and pleaded guilty before U.S. District Judge Fernando J. Gaitan this morning to a federal information that charges her with participating in a conspiracy to defraud mortgage companies, including Ameriquest Mortgage in Gladstone, Mo., and other mortgage companies, brokers and lenders.

Snodgrass, a real estate appraiser who formerly did business as Appraisals by Peggy in Raytown, admitted that, from June 9 to Nov. 1, 2000, she caused mortgage companies to approve 75 loans totaling approximately \$4,335,605 after relying, in part, on her false and fraudulent appraisals. Those 75 fraudulent appraisals, Graves explained, inflated the values of the properties, misrepresented the work she had done in preparing the appraisals, and at times misrepresented the condition of the properties.

For example, Graves cited a June 14, 2000, appraisal submitted in response to a co-conspirator's request for a \$73,000 appraisal on property at 29 E. 32nd St. That house, Graves said, had failed city codes inspection from March 1998 through June 2000 and was on track for demolition based on findings that the building was dangerous and a nuisance, that the foundation and siding were cracked, and that the frame, guard rail, roof, gutters, porch, soffit, and fascia were damaged, decayed, or deteriorated. **Snodgrass** prepared a fraudulent appraisal that inflated the value of the property and falsely stated that she had personally inspected the property and that it was in good to average condition and had no observable external depreciation.

The fraudulent appraisals were part of a conspiracy to defraud mortgage companies,

Graves said. Members of the conspiracy fraudulently induced victim-investors to purchase real estate and obtain mortgage loans by promising that a co-conspirator would obtain renters for the properties, and would sell the properties within a short period of time. Victim-investors were told that they would pay no money for the properties and have no expenses or obligations in connection with the properties, but would be paid fees or a percentage of the profits.

Members of the conspiracy prepared fraudulent loan applications and supporting documents (including the fraudulent appraisals) in order to obtain loans from mortgage companies in the names of the victim-investors. Sometimes, Graves said, those documents characterized the loans as refinances and having outstanding first mortgage liens, and at other times concealed the fact that a flip-sale of the property would occur.

On occasion, Graves said, loan proceeds were disbursed to a co-conspirator as the result of a flip-sale of the property or by representing that the co-conspirator and companies under his control held the first mortgage liens on the properties. In addition to loan proceeds, members of the conspiracy also obtained personal financial benefit as a result of the scheme from fees, bonuses, commissions and kickbacks.

Under federal statutes, **Snodgrass** could be subject to a sentence of up to five years in federal prison without parole, plus a fine up to \$250,000. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorney Linda Parker Marshall. It was investigated by the Federal Bureau of Investigation, the Internal Revenue Service – Criminal Investigations, and the Department of Housing and Urban Development – Office of Inspector General.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

www.usdoj.gov/usao/mow